

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:930

ANSWERED ON:29.07.2005

RESTRUCTURING OF JUTE CORPORATION OF INDIA

Panda Shri Prabodh

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government has sanctioned the financial restructuring of the Jute Corporation of India (JCI);
- (b) if so, the details thereof;
- (c) whether the Government has written off the entire outstanding loan and the interest of JCI;
- (d) if so, the details thereof;
- (e) whether the Government has decided to declare a revamp package for the JCI; and
- (f) if so, the details thereof?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH V AGHELA)

(a) to (d): Yes, Sir. The Government accorded its approval on 27.04.2005 to write off the entire outstanding loan of Rs.195 .68 Crores and interest of Rs.313 .97 Crores on these loans (a.s on 31.03.2003) against the accumulated losses (Rs.144.17 Crores), subsidy receivable (Rs.301.88 Crores), and JCI's claim (Rs.64.13 Crores) on NJMC, as per CGA's recommendation.

(e) to (f): The Government has also decided to provide subsidy in this year on a continuous basis from the year 2003-04 to off set the losses on account of MSP operations by JCI. The quantum of subsidy will include the difference between the purchase and sale prices of raw jute by JCI. While calculating MSP losses, the reimbursement of overhead costs to JCI would not exceed 10% of the value of the purchases under MSP in a particular financial year.

The aforesaid approval is subject to the signing of a Memorandum of Understanding between the Central Government and the Jute Corporation of India Ltd., Kolkata.